

Attachment 3b - Coastal Land Use Ordinance on Petroleum Resources

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23.08.170 - Resource Extraction (S-9): This chapter sets special standards for resource extraction activities including oil, gas and geothermal wells, surface mining and reclamation, and underground mining, where such uses are designated S-9 by Coastal Table O, Part I of the Land Use Element. These standards are organized as follows:

- 23.08.172 Resource Extraction Wells
- 23.08.173 Drilling Permit Requirements
- 23.08.174 Development Standards
- 23.08.178 Water Wells and Impoundments
- 23.08.180 Surface Mining and Reclamation
- 23.08.181 Surface Mining Practices
- 23.08.182 Permit Requirements for Surface Mining
- 23.08.183 Reclamation Plan
- 23.08.184 Financial Assurances for Guarantee of Reclamation
- 23.08.185 Public Records
- 23.08.186 Annual Review
- 23.08.187 Nuisance Abatement
- 23.08.190 Underground Mining

[Amended 1995, Ord 2715]

23.08.172 - Resource Extraction Wells: The purpose of these sections is to provide reasonable regulations for the extraction and development of onshore petroleum and other subterranean resources in San Luis Obispo County, including but not limited to exploration, production, storage, processing, transportation, and disposal of petroleum and other hydrocarbons and of any operations accessory thereto. The provisions of these sections are intended to supplement regulations administered by the California State Division of Oil and Gas, to address particular problems in San Luis Obispo County which do not apply generally throughout the state. Such problems include a limited water supply for agricultural and domestic uses in a county that depends heavily on agriculture and tourism for its economic welfare. The fresh water supply must be fully protected from pollution by petroleum operations.

A drilling permit shall be obtained to authorize wells for extraction of oil, gas, geothermal steam or any other subterranean resource except water, whether for purposes of exploration or production. (Water wells are instead subject to the provisions of Section 23.08.178 of this chapter and Chapter 8.40 of this code.) Such operations shall be conducted in accordance with the standards in Sections 23.08.173 through 23.08.174. Exploratory wells are those drilled to explore for subterranean resources, including verifying their location, extent, or determining the feasibility of commercial extraction. Production wells are permanent installations for the extraction and preparation for transportation of a proven resource. (Note: The extraction of petroleum from oil sands or shales by any method other than wells is subject to the standards of Sections 23.08.180 through 23.08.187 for surface mining operations).

[Amended 1992, Ord. 2591]

23.08.173 - Drilling Permit Requirements: A drilling permit shall be obtained to authorize wells for the extraction of oil, gas, geothermal steam or any other subterranean resource except water (water wells are instead subject to section 23.08.178 of this chapter and chapter 8.40 of this code), whether for purposes of exploration or production, as follows:

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- a. **Exploratory well permit.** Exploratory wells are those drilled to explore for subterranean resources, including verifying their location, extent, or determining the feasibility of commercial extraction.
- (1) Minor Use Permit approval is required for an exploratory resource extraction well, except as provided by subsection a(2) of this section.
 - (2) Development Plan approval is required where drilling is proposed:
 - (i) Within an urban or village reserve line;
 - (ii) Within the Residential Suburban land use category;
 - (iii) Within a Sensitive Resource Area;
 - (iv) When exploration for, or extraction of any resource other than oil, gas or geothermal steam is proposed.
- b. **Production well permit.** Production wells are permanent installations for the extraction and preparation for transportation of a proven resource.
- (1) Development Plan approval is required for establishing any new oil field, other resource extraction production area, or to reopen a field that has been unused for 12 months or more, that involves single or multiple wells and related facilities.
 - (2) Minor Use Permit approval is required where an additional well is proposed in an existing oil field, as identified by the California Department of Conservation, Division of Oil and Gas.
- c. **Application content.** In addition to the information required for applications by Chapter 23.02, (Permit Applications) drilling permit applications are to also describe:
- (1) Location and dimensions of wells, well pads and earthen sumps, location of roads and associated improvements (including housing), locations of any pipelines or storage tanks and pump facilities.
 - (2) Identification of the type of drilling equipment (e.g. portable or fixed) intended to be used in the drilling activities.
 - (3) When landscaping plans are required by Chapter 23.02, they shall include measures proposed for screening producing wells and permanent equipment from the view of public roads or residential uses, revegetation of all cut and fill banks, and restoration of disturbed areas of the site not directly related to oil and gas production.
 - (4) Proposed erosion control measures.
 - (5) All development associated with the proposed well and associated facilities and how that development complies with the standards of this title.

- (6) If another public agency must also approve the proposed facility, the applicant shall also provide:
 - (i) A brief description of the nature and scope of the requirements of that agency, including the agency's procedures for acting on the proposed use.
 - (ii) A schedule for applications and approvals for actions by other responsible agencies.
 - (iii) A copy of all necessary state and federal permits and associated conditions of approval issued by the agencies listed prior to the submittal of the application.
- (7) An applicant may incorporate by reference any information developed or submitted in any other application, provided the applicant submits a copy or summary of the referenced material, identifies the permitting process in which it was submitted and the outcome of that permitting process, and explains the relevance of the information to the approval standards of this title.

[Amended 1992, Ord. 2591]

23.08.174 - Development Standards for Resource Extraction Wells: The following standards apply to all resource extraction wells:

- a. **Bonding.** Performance guarantees to assure compliance with applicable provisions of this title, conditions of approval and other applicable regulations, shall be provided as follows:
 - (1) **Single Bonds.** Following approval of a drilling permit and prior to any work on the proposed drilling site, the applicant is to post a surety bond in the sum of \$5000 per well, in favor of the county, that the applicant (who shall be named in the bond) shall faithfully comply with all applicable conditions, restrictions, and requirements of this Title and, any conditions required by the applicable review authority, APCD regulations, and any conditions of approval in drilling or redrilling and maintaining all surface production facilities as required by this title, or APCD regulations and conditions of approval, until abandonment of such facilities pursuant to this title. The bond shall secure the San Luis Obispo County against all expenses incurred on account of any failure of the applicant to comply with the provisions of this title, APCD regulations and any conditions of approval. The bond shall include the correct name or number of the well and such other information as may be necessary to readily identify the well. Such guarantee is in addition to any bond required by the state.
- b. **Site development.**
 - (1) **Roads and access.** Roadwork and grading for drillsite preparation shall be limited to that necessary for site access and shall be designed and orientated to minimize cut and fill slopes and removal of vegetation. Roads shall be maintained in a dust-free condition by periodic watering or by compacted surfacing. A grading permit may be required for drillsite access roads and site preparation, as determined by Section 23.05.020 (Grading).

- (2) **Clearing and Revegetation.** The land area exposed and the vegetation removed during construction shall be the minimum necessary to install and operate the facility. Topsoil shall be stripped and stored separately. Disturbed areas no longer required for production will be regraded, covered with topsoil and replanted during the next appropriate season.
- (3) **Well locations.** A well hole, derrick or tank shall not be placed closer than 100 feet of any residence, or closer than 25 feet from any public road, street or highway.
- (4) **Drilling within a community.** The following standards apply to drilling operations within urban or village reserve lines or Residential Suburban land use categories:
 - (i) **Portable rig required.** Drilling operations shall utilize portable drilling apparatus only, which shall be removed from the site within five calendar days from completion of drilling.
 - (ii) **Hours of operation.** Drilling operations may continue uninterrupted once started. Delivery of materials, equipment, tools or pipe shall occur only between the hours of 7 a.m. and 9 p.m., or such other hours as the Planning Commission may establish, except in case of emergency.
- (5) **Sumps and waste disposal.** All waste substances such as drilling muds, oil, brine, or acids produced or used in connection with oil drilling operations or oil production shall be retained in watertight receptors, from which they can be piped or hauled for terminal disposal in a dumping area specifically approved for such disposal by the Regional Water Quality Control Board. The use of unprotected earthen sumps is prohibited except during drilling operations. Any allowed sump located within view of any public street or within 1,000 feet of any residence is to be enclosed with a fence not less than five nor more than 10 feet in height, mounted on steel posts with not less than three strands of barbed wire around the top, except when an earthen sump is under continuous supervision and use during drilling operations. Fencing is to be constructed of woven wire fencing or equivalent of not greater than six inch mesh.
- (6) **Fire protection.** Fire fighting apparatus and supplies, approved by the county Fire Department shall be maintained on the site at all times during drilling and production operations.
- (7) **Completion of drilling.** The applicant shall notify the Planning Director within 10 days after completion or abandoning the facility. Within 30 days after completion or abandonment of an exploratory or production well, all derricks, other drilling apparatus and equipment, including any earthen sumps, are to be removed from the site and the sumps filled, except as provided in subsection b(3) of this section, for drilling in urban areas. After completion of drilling, any necessary servicing or maintenance of wells may utilize portable derricks, if needed.

c. **Well operation and site maintenance.**

- (1) **Landscaping.** Within 30 days after the completion of the drilling of a producing well within view of any public street or any residence, production equipment is to be screened, and the entire extraction site, including disturbed areas not directly related to the extraction are to be revegetated and thereafter maintained as shown on the approved landscaping plan. This requirement is not applicable in Agriculture and Rural Lands categories outside of urban and village reserve lines.

- (2) **Site maintenance.** The drillsite, permanent equipment and approaches to the site are to be kept in a clean, neat appearing condition free from debris, other than necessary and incidental drilling equipment and supplies. The site shall be maintained so as to prevent any accumulation of oil, oil products, or oil-coated boards, materials or equipment which might cause fumes or odors detrimental to adjoining property.
- (3) **Storage tanks.** Oil storage tanks erected or maintained on the premises are to be removed no later than 180 days after the first well on the site is completed except where located as part of a permanent tank battery authorized through Development Plan approval. Oil produced thereafter is to be transported from the drilling site by means of an underground pipeline connected directly with the producing pump without venting to the atmosphere at the drilling site. This requirement is not applicable in Agriculture and Rural Lands categories outside urban and village reserve lines.
- (4) **Parking and loading.** All parking and loading activities related to well drilling or production are to occur on-site.
- (5) **Signing.** Only directional, instructional and warning signs, and signs required for identification of a well may be placed on the premises.
- (6) **Operating wells.** Pumping wells are to be operated by electric motors or muffled internal combustion engines. Pumping units within urban or village reserve lines or Residential Suburban land use categories are to be installed within pits or above-grade structures which screen all mechanical equipment from the view of public roads or adjoining properties and which reduce noise generated by pumping equipment to within the limits specified by Section 23.06.040 (Noise Standards).
- (7) **Violations.** If the facility is operated in a manner that violates the standards or conditions of this section or any other required permit, the applicant shall:
 - (i) Immediately stop, contain, or correct the unauthorized action or inaction.
 - (ii) Within 30 days of the violation, inform the Planning Director in writing about the cause of the violation, its effects, and corrective action the applicant took in response to the violation and proposes to take to prevent a reoccurrence of the violation or its cause.
- d. **Periodic inspection.** All active wells will be inspected annually by the department of planning and building. The applicant shall pay the costs of such inspections pursuant to the county fee ordinance.
- e. **Well abandonment.** The abandonment of an oil well, shall occur as follows:
 - (1) All production and processing facilities related to the well shall be removed from the site unless they have been approved for use with another adjacent well.
 - (2) The well site and surroundings affected by drilling operations shall be restored, including recontouring as necessary, and revegetated to achieve a natural-appearing condition which will approximate their original vegetative and topographic state.

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- (3) The applicant shall notify the Planning Director within 10 days after abandoning the well and associated facilities.
- (4) The requirements of title 7.04 of this code shall be complied with.
- (5) The applicant shall report the well abandonment as required to the California Department of Conservation, Division of Oil and Gas, and the applicant shall provide the Director of Planning and Building a copy of the response received from the division of oil and gas regarding completion of abandonment in accordance with their requirements.

23.08.178 - Water Wells and Impoundments: Water wells and surface water impoundments including constructed ponds, lakes or reservoirs are subject to the provisions of this section.

- a. **Permit requirement.** Water Wells and Impoundments that are appealable to the Coastal Commission pursuant to Section 23.01.043 of this Title require approval of a Minor Use Permit, unless a Development Plan is otherwise required. All water wells are also subject to the requirements of Section 8.40 of this code. Non-appealable development shall be as follows:
 - (1) **Wells.** Plot Plan and as set forth in Chapter 8.40 of this code.
 - (2) **Impoundments.** Plot Plan approval unless another permit is otherwise required by Chapter 23.03 of this title.
- b. **Well monitoring required.** In some areas of the Coastal Zone groundwater is limited and extraction must be monitored to satisfy the requirements of the California Coastal Act. All water well permit applications within the Coastal Zone shall be reviewed by the County Engineer to determine if participation in a water monitoring and management program is necessary to assure maintenance of a safe and adequate groundwater supply. The manner in which a permit applicant shall participate in the monitoring program, including the frequency and type of reporting shall be determined by the County Engineer.

[Amended 1992, Ord. 2591]

23.08.180 - Surface Mining and Reclamation: Surface mining operations include the processes of removing overburden and mining directly from mineral deposits, open-pit mining of minerals naturally exposed, mining by the auger method, dredging and quarrying, or surface work incident to an underground mine. In addition, surface mining operations include, but are not limited to: Inplace distillation, retorting or leaching; the production and disposal of mining waste; prospecting and exploratory activities; borrow pitting, streambed skimming, segregation, recovery, and stockpiling of mined materials; and extractions of natural materials for building, construction.

- a. **Purpose and intent.** These sections are adopted as required by the California Surface Mining and Reclamation Act of 1975 (SMARA) (Section 2207 and 2710 et seq. of the Public Resources Code and Chapter 8, Title 14, California Code of Regulations, Section 3500 et seq.). The purpose of these sections is the regulation of surface mining and related mineral extraction operations within the county. The intent is to provide for reclamation of mined lands, prevent or minimize adverse environmental effects and safety hazards, and provide for the protection and subsequent beneficial use of mined and reclaimed lands. Because surface mining occurs in areas diverse in environmental and social conditions, reclamation operations and specifications may vary accordingly.